

**The Highland Council  
No. 9 2015/2016**

Minutes of Special Meeting of the Highland Council held in the Council Chamber, Council Headquarters, Glenurquhart Road, Inverness on Thursday, 25 February 2016 at 10.30 am.

**1. Calling of the Roll and Apologies for Absence  
A' Gairm a' Chlàir agus Leisgeulan**

**Present:**

Dr D Alston	Mrs L MacDonald
Mr R Balfour	Mr N MacDonald
Mrs J Barclay	Mr J McGillivray
Mr A Baxter	Mrs D Mackay
Mr D Bremner	Mr D Mackay
Mr I Brown	Mr W MacKay
Mrs C Caddick	Mr G MacKenzie
Mrs I Campbell	Mr A Mackinnon
Miss J Campbell	Ms A MacLean
Mrs H Carmichael	Mr T MacLennan
Mr A Christie	Mr K MacLeod
Dr I Cockburn	Mrs B McAllister
Mrs G Coghill	Mrs I McCallum
Mr J Crawford	Mr D Millar
Dr J Davis	Mr H Morrison
Mrs M Davidson	Ms L Munro
Mr N Donald	Mr B Murphy
Ms J Douglas	Mr G Phillips
Mr D Fallows	Mr T Prag
Mr G Farlow	Mr M Rattray
Mr B Fernie	Mr M Reiss
Mr M Finlayson	Mr I Renwick
Mr J Ford	Mr A Rhind
Mr C Fraser	Mr G Rimell
Mr H Fraser	Mrs F Robertson
Mr L Fraser	Mr J Rosie
Mr S Fuller	Ms G Ross
Mr J Gordon	Mr G Ross
Mr K Gowans	Mr R Saxon
Mr A Graham	Dr A Sinclair
Mr J Gray	Mrs G Sinclair
Mr M Green	Mrs J Slater
Mr R Greene	Ms M Smith
Mr A Henderson	Mr J Stone
Mr D Kerr	Mr B Thompson
Mr R Laird	Mr H Wood
Mr B Lobban	

**In Attendance:**

Chief Executive  
Depute Chief Executive/Director of  
Corporate Development  
Director of Development & Infrastructure

Director of Care & Learning  
Director of Finance  
Director of Community Services

**Mrs I McCallum in the Chair**

Apologies for absence were intimated on behalf of Mr B Clark, Mr A Duffy, Mr B Gormley, Ms K Stephen, Mr F Parr, Mrs M Paterson and Mrs C Wilson.

**2. Declarations of Interest  
Foillseachaidhean Com-pàirt**

The Council **NOTED** the declarations of interest as set out in Appendix 1 to these Minutes.

**3. Revenue Budget and Council Tax 2016/17  
Buidseat Teachd-a-steach agus Cis Comhairle**

There had been circulated Report No. HC/5/16 dated 13 February 2016 by the Director of Finance which set out information relating to the Revenue Budget and Council Tax for 2016/17 to allow the Council to formally agree the Revenue Budget and Council Tax for the forthcoming financial year.

In this connection, there had been circulated separately Booklets A & B respectively as follows - Summary of Savings Proposals and Detailed Templates for Individual Savings Proposals – together with a revised Annex 9 (List of Reduction in Senior Management Posts) and a tabled amendment to the Budget Template CS2b – Community Services – Public Conveniences.

There had also been tabled at the meeting a List of Removals and Alternative Savings Proposals for 2016/17 from the SNP Group as follows –

Removal of Savings –

Criminal Justice - £20,000  
Women's Aid - £40,000  
Children's Commissioned Services - £199,000  
Street Cleansing 5 FTE's - £100,000 (remove other years 10 FTE's)  
Airstrips, Plockton, Broadford & Dornoch close - £28,000  
Play Areas – remove maintenance budget - £112,000  
Employability - £250,000  
Deprived Area Funding - £440,000  
Blythswood & New Start - £50,000  
Gaelic Arts – Mod, Blas, Feis, Feisan, etc - £19,000  
Homelessness housing support - £82,000  
NHS suicide prevention - £20,000

Total - £1,360,000

Replacement Savings –

Film Budget - £50,000  
Agency staff – further reduction - £167,779  
CEX Grants & Training – further reduce - £10,000

Sickness Absence costs HC £5m per annum – apply new ‘Renfrewshire model’ of managing sickness returns - £500,000

Schools energy incentives – save 20% and half of this returns to HC as saving - £531,221

Eden Court (Admin already removing £59,000 so make this up to £100,000) - £41,000

Corporate Communication Restructuring - £60,000

Total - £1,360,000

Prior to discussion, the Chief Executive confirmed that the challenge was to set a budget for 2016/17 and that this was a challenge which had grown significantly over the past few months as updated information had continued to be received in relation to the Local Government Finance settlement. As such, there was now a very short timescale in which to make decisions and in this regard he conveyed his thanks to those members of staff who had responded to and volunteered for voluntary redundancy and reduced hours of working. This had been a very difficult situation for all concerned and thanks were also due to the Trade Union representatives for their constructive help with and understanding of the current position. There was also a need to highlight the fair and balanced responses received from Community Planning partners and the wider Highland community.

Above all, the provision of safe and effective services was paramount and it was imperative that perspective was used to identify and set future priorities for the Council. In this regard, pragmatism and positive choices were needed and the proposals within the report sought to aid Members in making such choices.

It was suggested that under the circumstances the most appropriate way forward would be to focus on positivity through the redesign of the Council with a view to enabling and delivering new priorities within available resources. In this respect, it was proposed to submit a report to the next meeting in March to allow Members to consider the way forward with confidence and ambition for the future.

During a summary of the report, the Director of Finance confirmed that the final details of the Local Government Finance settlement and funding package for 2016/17 had been received on 27 January 2016 in a letter from the Deputy First Minister and that it had been stated that any Council which did not sign up to the complete package would not receive their share of the Integration Funding (Health Budget) (£250m), support for Teachers (£88m) and Council Tax freeze (£70m). In this regard, it was advised that, for Highland Council, refusal to accept the complete package would represent a potential loss in the region of £18m. A response had been required by 9 February 2016 and Highland Council had accepted the complete package, subject to homologation at this meeting.

Funding to Highland Council amounted to £436.592m with two funding streams yet to be distributed. Assumptions had been made, based on the previous year allocations and individual announcements, to calculate the overall funding position for the Council and in this respect the financial settlement for 2016/17 had been calculated to total £439.404m as follows:-

Revenue Grant from Scottish Government per Fin Circular 2/2015 -	£436.592m
Add: Free School Meals	£2.536m
Discretionary Housing Payments	£0.276m
<b>Total Funding Package</b>	<b>£439.404m</b>

In terms of Budget Funding for 2016/17, and based upon the grant settlement with the assumption of a freeze on Council Tax, the total funding assumed for the Revenue Budget was as follows:-

General Revenue Grant -	£310.782m
Ring Fenced Revenue Grants (Gaelic) -	£0.940m
Non Domestic Rates Income -	£127.682m
<b>Total Scottish Government Grant Support -</b>	<b>£439.404m</b>
Council Tax Income -	£115.024m
Planned Use of Balances -	0.000
<b>Total Revenue Funding -</b>	<b>£554.428m</b>

Specific detail had also been provided within the report on the main budget assumptions in regard to the Roll Forward Budget for 2016/17 which included Pay Awards, Expenditure Inflation, Income Inflation, Pay Increments, Pensions, Loan Charges and Joint Boards.

In regard to the Administration Savings Proposals, it was confirmed that the package of savings proposed was a combination of the savings agreed in December 2014 (amounting to £10.185m) and proposals from the Administration of £29.671m which represented a total savings package for 2016/17 of £39.856m (all of which had been highlighted within Booklet A attached to the report).

It was also advised that the Council Leader, in the letter to the Deputy First Minister provisionally accepting the Finance Settlement, had included a request for a one-off relaxation of the conditions relating to the Council Tax for Second Homes to allow the additional income to assist with the Council's statutory homelessness functions on the basis that there would be no impact on the Council's new build programme should the relaxation be granted. It was proposed to use a proportion of this additional funding for preventative spend to assist in closing the funding gap and to prevent additional cuts to services rather than being allocated for new funding initiatives.

In relation to the Voluntary Redundancy Scheme, it was confirmed that 801 applications had been received, with 341 applications (equating to 275 FTE posts) having now been accepted. The total annual saving in 2016/17 to the Council was £9.95m with the upfront cost being £12.458m. In this respect, details of applications and approvals had been provided in Annex 6 to the report.

In terms of Senior Management Savings, a number of proposals to achieve savings had been presented and it was highlighted that there would undoubtedly be a loss of expertise and experience across the Council but the reductions were considered to be manageable (although not without impact on performance, responsiveness and staff morale). In this regard, full details had been contained at Annex 9 to the report.

Information was also provided on budget pressures and budget consultation and it was confirmed, in relation to NHS Highland, that the budget proposal was to reduce the Council's funding by £4.1m from the level previously agreed and in line with the reduction in the Council's Grant Settlement. This still allowed the Council to offer some protection to adult care services, given the scale of service reductions proposed elsewhere, and NHS Highland were confident that they could deliver the outcomes required by both the Scottish Government and the Partnership Agreement without a material adverse impact on frontline services whilst avoiding some significant cuts to services which might otherwise have had to be considered.

The key Risks and Assumptions in the setting of the budget were also highlighted,

together with detailed information on the Reserves and Balances Strategy during which it was confirmed that the General Fund Non-Earmarked Revenue Balance, which represented the Council's contingency balance against unplanned events, was forecast to stand at £13.944m at 31 March 2016 (excluding the current predicted surplus) which was equivalent to 2.51% of the revenue budget. In this respect, Annex 7 to the report proposed re-classification to remove the current earmarking to make the balance available to meet the upfront costs of the approved Voluntary Severance Scheme applications.

In regard to Budget Planning for 2017/18 and 2018/19, it was advised that firm grant settlements were not yet available but it was expected that grant reductions would continue and for planning purposes the reduction had been assumed at 2% per annum. It was therefore essential that Service re-design took place over the next nine months and in this respect a report would be presented to the next Council meeting on 10 March to outline a process for undertaking this work.

Addressing the current budgetary situation, the Leader stressed that the role of the Council in communities would have to change much faster than had been anticipated, specifically in light of the continuation of austerity measures and the budgetary controls being imposed by both the UK and Scottish Governments. However, the Council would continue to do the very best it could for the people of the Highlands and the revenue budget would be the base for the restructure of services which had been highlighted earlier in the meeting. The budget proposals had been driven by fairness and inclusivity and there was a need to convey thanks to the budget team, the Members of the Council who had helped and co-operated and the Director of Finance and his staff for all the work which had been undertaken. This was an unprecedented situation for the Council and extremely difficult decisions had had to be taken. Specifically, there was a need to record the thanks of all Members to staff and the trade unions for their understanding and assistance throughout the process.

The Budget Leader emphasised that the current budget gap was the largest ever faced by the Council and highlighted the percentage of cuts being faced by individual Services. On this basis, and in terms of the severity of the cuts being faced, a restructure of the Council was the only means of ensuring continued safe and effective service delivery and planning needed to be undertaken now for the future.

The Leader of the Opposition highlighted the financial challenges being faced not just in Scotland but across the UK and worldwide and expressed support for the Officers who were being tasked with identifying and implementing new ways of working within the Council. In this regard, it was extremely important that the public were aware and accepted that patience would be needed during this period of change and reduction of service. The amendments which had been proposed by the SNP Group sought to protect the most vulnerable members of society and it was hoped that these amendments could be supported.

The Leader of the Liberal Democrat Group referred to past achievements and innovations and expressed regret that it would be extremely unlikely that these could be continued or repeated in future due to the severe financial constraints now being placed on the Council.

The Leader of the Labour Group pointed out that this budget settlement was possibly the worst received since the Second World War and referred to the need to have considered an increase in taxation at a national level which would have lessened the level of cuts now being experienced at a local level.

During further discussion, Members raised the following issues:-

- this was an extremely difficult budgetary situation which had been exacerbated by delays in receipt of the Scottish Government finance settlement;
- there was a need for further information to be provided on zero-based budgeting for future years and the risks and likelihood of achieving savings proposals, particularly those planned in the Care and Learning Service;
- in terms of the statutory and contractual obligations of the Council, clarification was required on net controllable spend and how this compared with other Councils;
- it was a particular concern that £10m of savings relied on the current staff voluntary severance process on the basis that the outcome of this was not yet known;
- there was a need for more information on the proposed approach to maximising the use of video-conferencing throughout the Highlands which would help to reduce Members' expenses;
- it was a serious concern that many people throughout the Highlands would be significantly affected by the budget proposals but would not be in a position to speak up for themselves;
- the loss of hundreds of Council employees through voluntary severance would have an impact not only on services but also on the economic viability of local areas;
- it was a concern that the Scottish Government was providing direct grants to protect certain functions, such as teacher numbers, as this reduced local control;
- the morale of communities throughout the Highlands would be badly affected by the budget decisions which had to be taken and it would be very difficult to address this, both now and in the future;
- there was concern at the proposals to review the provision of the Money Advice Service as this played a crucial role across the Highlands and was of particular benefit to the most vulnerable members of communities;
- further clarification was required as to the impact on Planning Application Committees and the Licensing Committee/Licensing Board as a result of the reduction in Legal posts;
- there was a need for more information on how resources would be divided across Wards following the deletion of Ward Manager posts in some areas;
- the Blas festival had been significantly important to Caithness and the wider Highlands and it was hoped that the budget proposal in this regard would not be supported;
- there was a vital need to support NHS Highland in terms of the work in relation to suicide prevention and it was imperative that funding in this regard should be continued;
- representations should be made to the Scottish Government as a matter of urgency to seek a review of the cap on the Social Fund so that it reflected the current cost of funerals;
- it had to be recognised that the Council had to maintain its statutory duty to undertake street cleansing and that this was not adversely affected by the budget proposals;
- the proposal to reduce the budget for the operation and maintenance of Airstrips was counterproductive as the Dornoch Airstrip was owned by the Common Good (and not Highland Council) and made a substantial contribution to the local economy;.
- in terms of waste disposal, local alternatives should be considered wherever possible; and
- there were particular concerns in relation to the savings proposed for Public

Conveniences, Coastal Protection, Play Areas and Anti-Social Behaviour.

**The Council adjourned for lunch at 1.10pm and resumed at 2.00pm.**

At this point, the Leader confirmed that the tabled removals and alternative savings proposals from the SNP Group had now been accepted and would form part of the Motion to the Council.

Following further general discussion, Mr A Christie, seconded by Mrs C Caddick, made reference to a proposed amendment from the Liberal Democrat Group in respect of allowing funding to continue for support to Secondary Schools to provide resources to enable skills for work education which would benefit young people in the middle to low ability range. Specifically, it was highlighted that this proposed amendment involved consideration and discussion of Senior Councillor Remuneration.

On the basis that the issue of Senior Councillor Remuneration had been the subject of a decision by the full Council at the last meeting on 21 January, it was confirmed that any discussion on this issue would require the suspension of Standing Order 20. In this respect, it was also confirmed that any Member with a financial interest in the issue should give consideration as to whether that interest required them to leave the Chamber prior to a vote on the suspension of Standing Order 20.

**Following consideration, the undernoted Members declared financial interests and left the Chamber:-**

**Mrs M Davidson, Mrs I McCallum, Mr A Rhind, Mr B Fernie, Mr D Millar, Dr A Sinclair, Mr A Henderson, Mr A MacKinnon, Mrs F Robertson, Mrs I Campbell, Mr M Reiss, Mr R Greene, Mr H Fraser, Mr R Laird, Mr G Phillips, Ms M Smith and Mrs H Carmichael.**

**At this point, and on the basis that the Convener had left the Chamber, the Vice Convener, Mr B Lobban, took the Chair.**

Thereafter, Mr A Christie, seconded by Mrs C Caddick, **MOVED** the suspension of Standing Order 20.

As an **AMENDMENT**, Mr B Lobban, seconded by Mr J Crawford, moved that Standing Order 20 should not be suspended.

On a vote being taken, the **MOTION** received 25 votes and the **AMENDMENT** received 27 votes, with 3 abstentions, and the **AMENDMENT** was therefore **CARRIED**, the votes cast having been as follows:-

**For the Motion:**

Dr D Alston, Mr A Baxter, Mr D Bremner, Mrs C Caddick, Mr A Christie, Dr J Davis, Mr J Ford, Mr A Graham, Mr J Gray, Mr D Kerr, Mr N MacDonald, Mrs D Mackay, Mr D Mackay, Mrs A MacLean, Mr K MacLeod, Mrs B McAllister, Ms L Munro, Mr B Murphy, Mr T Prag, Mr M Rattray, Mr G Rimell, Mr J Rosie, Mr R Saxon, Mr J Stone, Mr H Wood

**For the Amendment:**

Mr R Balfour, Mrs J Barclay, Mr I Brown, Miss J Campbell, Mrs G Coghill, Mr J Crawford, Mr N Donald, Ms J Douglas, Mr G Farlow, Mr M Finlayson, Mr L Fraser, Mr S Fuller, Mr J Gordon, Mr K Gowans, Mr M Green, Mrs L MacDonald, Mr W MacKay, Mr G Mackenzie, Mr T MacLennan, Mrs I McCallum, Mr J McGillivray, Mr H

Morrison, Mr I Renwick, Mr G Ross, Mrs J Slater, Mrs G Sinclair, Mr B Thompson

### **Abstentions**

Mr D Fallows, Mr C Fraser, Ms G Ross

**Thereafter, the Members who had declared financial interests in this issue returned to the Chamber and the Convener took the Chair.**

Remaining amendments from the Liberal Democrat Group were then considered as follows:-

### **Booklet A – Page 6 – Community Services – Item 2- Public Conveniences – Review of Provision of Public Conveniences**

Mrs M Davidson, seconded by Ms M Smith, **MOVED** approval of the recommendation as detailed in the report.

As an **AMENDMENT**, Mr A Christie, seconded by Ms A MacLean, moved that the saving of £250k should be removed and funded instead from Non-Earmarked Reserves.

On a vote being taken, the **MOTION** received 50 votes and the **AMENDMENT** received 20 votes, with no abstentions, and the **MOTION** was therefore **CARRIED**, the votes cast having been as follows:-

### **For the Motion:**

Mr R Balfour, Mrs J Barclay, Mr I Brown, Mrs I Campbell, Miss J Campbell, Mrs H Carmichael, Dr I Cockburn, Mrs G Coghill, Mr J Crawford, Mrs M Davidson, Mr N Donald, Ms J Douglas, Mr D Fallows, Mr G Farlow, Mr B Fernie, Mr M Finlayson, Mr C Fraser, Mr H Fraser, Mr L Fraser, Mr S Fuller, Mr J Gordon, Mr K Gowans, Mr M Green, Mr R Greene, Mr A Henderson, Mr D Kerr, Mr R Laird, Mr B Lobban, Mrs L MacDonald, Mr W MacKay, Mr G Mackenzie, Mr A Mackinnon, Mr T MacLennan, Mrs I McCallum, Mr J McGillivray, Mr D Millar, Mr H Morrison, Ms L Munro, Mr G Phillips, Mr M Rattray, Mr M Reiss, Mr I Renwick, Mrs F Robertson, Ms G Ross, Mr G Ross, Mrs J Slater, Dr A Sinclair, Mrs G Sinclair, Ms M Smith, Mr B Thompson

### **For the Amendment:**

Dr D Alston, Mr A Baxter, Mrs C Caddick, Mr A Christie, Dr J Davis, Mr A Graham, Mr J Gray, Mr N MacDonald, Mrs D Mackay, Mr D Mackay, Mrs A MacLean, Mr K MacLeod, Mrs B McAllister, Mr B Murphy, Mr T Prag, Mr G Rimell, Mr J Rosie, Mr R Saxon, Mr J Stone, Mr H Wood

### **Booklet A – Page 7 – Item 5 – Care & Learning (Adult Services) – Community Health Co-ordinators**

Mrs M Davidson, seconded by Ms M Smith, **MOVED** approval of the recommendation as detailed in the report.

As an **AMENDMENT**, Mr A Christie, seconded by Ms C Caddick, moved that this saving should be reduced by £120k and funded from Non-Earmarked Reserves.

On a vote being taken, the **MOTION** received 51 votes and the **AMENDMENT** received 17 votes, with 1 abstention, and the **MOTION** was therefore **CARRIED**, the votes cast having been as follows:-



**For the Motion:**

Mr A Baxter, Mr R Balfour, Mrs J Barclay, Mr I Brown, Mrs I Campbell, Miss J Campbell, Mrs H Carmichael, Dr I Cockburn, Mrs G Coghill, Mr J Crawford, Mrs M Davidson, Mr N Donald, Ms J Douglas, Mr D Fallows, Mr G Farlow, Mr B Fernie, Mr M Finlayson, Mr C Fraser, Mr H Fraser, Mr L Fraser, Mr S Fuller, Mr J Gordon, Mr K Gowans, Mr M Green, Mr R Greene, Mr A Henderson, Mr D Kerr, Mr R Laird, Mr B Lobban, Mrs L MacDonald, Mr W MacKay, Mr G Mackenzie, Mr A Mackinnon, Mr T MacLennan, Mrs I McCallum, Mr J McGillivray, Mr D Millar, Mr H Morrison, Ms L Munro, Mr G Phillips, Mr M Rattray, Mr M Reiss, Mr I Renwick, Mrs F Robertson, Ms G Ross, Mr G Ross, Mrs J Slater, Dr A Sinclair, Mrs G Sinclair, Ms M Smith, Mr B Thompson

**For the Amendment:**

Dr D Alston, Mrs C Caddick, Mr A Christie, Dr J Davis, Mr A Graham, Mr J Gray, Mr N MacDonald, Mrs D Mackay, Mrs A MacLean, Mr K MacLeod, Mrs B McAllister, Mr B Murphy, Mr T Prag, Mr G Rimell, Mr J Rosie, Mr R Saxon, Mr J Stone

**Abstention:**

Mr D Mackay

**Booklet A -**

**Page 7 – Item 6 – Care & Learning (Adult Services) – Health Weight Dieticians**

**Page 9 – Item 9 – Care & Learning (Children’s Services) – CAMHS – Deletion of Posts (Child and Adolescent Mental Health service)**

Mrs M Davidson, seconded by Ms M Smith, **MOVED** approval of the recommendations for both of the above as detailed in the report.

As an **AMENDMENT**, Mr A Christie, seconded by Ms C Caddick, moved a reduction of the saving by £100k in respect of Health Weight Dieticians and removal of the saving of £86k in respect of CAMHS on the basis that both should be funded from Non-Earmarked Reserves.

On a vote being taken, the **MOTION** received 48 votes and the **AMENDMENT** received 20 votes, with 1 abstention, and the **MOTION** was therefore **CARRIED**, the votes cast having been as follows:-

**For the Motion:**

Mr R Balfour, Mrs J Barclay, Mr I Brown, Mrs I Campbell, Miss J Campbell, Mrs H Carmichael, Dr I Cockburn, Mrs G Coghill, Mr J Crawford, Mrs M Davidson, Mr N Donald, Mr D Fallows, Mr G Farlow, Mr B Fernie, Mr M Finlayson, Mr C Fraser, Mr H Fraser, Mr L Fraser, Mr S Fuller, Mr J Gordon, Mr K Gowans, Mr M Green, Mr R Greene, Mr A Henderson, Mr D Kerr, Mr R Laird, Mr B Lobban, Mrs L MacDonald, Mr W MacKay, Mr G Mackenzie, Mr A Mackinnon, Mr T MacLennan, Mrs I McCallum, Mr J McGillivray, Mr D Millar, Mr H Morrison, Ms L Munro, Mr G Phillips, Mr M Reiss, Mr I Renwick, Mrs F Robertson, Ms G Ross, Mr G Ross, Mrs J Slater, Dr A Sinclair, Mrs G Sinclair, Ms M Smith, Mr B Thompson

**For the Amendment:**

Dr D Alston, Mr A Baxter, Mrs C Caddick, Mr A Christie, Dr J Davis, Mr A Graham, Mr J Gray, Mr N MacDonald, Mrs D Mackay, Mr D Mackay, Mrs A MacLean, Mr K MacLeod, Mrs B McAllister, Mr B Murphy, Mr T Prag, Mr G Rimell, Mr J Rosie, Mr R Saxon, Mr J Stone, Mr H Wood

**Abstention:**

Ms J Douglas

Reference was also made by the Liberal Democrat Group to the Insurance Fund within the Council and it was suggested that this should be reduced by £1m and a new Ear-Marked Reserve Fund created with this sum with the aim of Addressing Poverty in the Highlands. In this regard, it was suggested that the fund, and governance of it, should be reserved to the Council and that Officers should identify a targeted plan across all services, taking a holistic view with clear methodology surrounding test of change, reducing health inequalities, reducing the attainment gap, improving health and wellbeing and similar streams.

In response, and having heard from the Leader of the Council and the Director of Finance, it was agreed that an independent review of the Insurance Fund would be commissioned.

It was also agreed that consideration would be given to the implementation of an Anti-Poverty Strategy by the Council to build upon the work which had already been undertaken in this regard.

### **Decision**

The Council **AGREED** as follows:-

- (a) to accept the Scottish Government's funding package;
- (b) a Council Tax freeze for 2016/17 with the Council Tax at Band D for the year being £1,163;
- (c) the savings proposals in Booklet A – subject to the tabled removals and alternative savings proposals from the SNP Group which had been accepted earlier in the meeting;
- (d) the revenue budget for 2016/17 of £555.731m;
- (e) to note the initial budget outlook for years 2017/18 and 2018/19;
- (f) the revised strategy for the non-earmarked general fund balances and to re-classify earmarked balances as detailed in Section 14 thus allowing £12.447m of the upfront costs of £12.458m arising from the Voluntary Redundancy Scheme to be met immediately;
- (g) to note that the small balance of upfront costs would be met by retaining other surpluses from 2015/16 and that earmarking would only be undertaken with the express permission of the Director of Finance; and
- (h) to change the policy regarding Non-Earmarked Reserves from 2.5% of the Net Revenue Budget to a minimum sum of £10m, equivalent to 1.8%.

It was also **AGREED** that an independent review of the Insurance Fund would be commissioned.

It was further **AGREED** that consideration would be given to the implementation of an Anti-Poverty Strategy by the Council.

The meeting ended at 4.45 p.m.

**Declarations of Interest – Item 3**

The following Members declared **non-financial** interests in relation to this item but, having applied the test outlined in Paragraphs 5.2 and 5.3 of the Councillors' Code of Conduct, concluded that their interests did not preclude their involvement in the discussion and voting (on the basis that they would leave the room should there be any detailed discussion on the specific item in which they had declared an interest):-

**Mr Roddy Balfour** – Inverness, Badenoch and Strathspey Citizen's Advice Bureau

**Mr Ian Brown** – D&I 8, Director of Highland Opportunity Ltd

**Miss Janet Campbell** – C&L Adult Services 13, Director of Inverness Women's Aid

**Mr Alasdair Christie** – General Manager of Inverness and Badenoch and Strathspey Citizen's Advice Bureau, Director of Highland Small Communities Housing Trust Ltd, Director of Highland and Islands Society for Blind People, Director of Highland Third Sector Interface Ltd

**Dr Ian Cockburn** – Director of Ullapool Museum

**Ms Jaci Douglas** - CS 27, Advisor to Badenoch and Strathspey Community Transport Company; CL/RES/14 Director of High Life Highland; C&L/AD/13 Director of Women's Aid, CL/RES/9 & 10 school meals

**Mr Dave Fallows** - D&I 8, Director of Highland Opportunity Ltd, CL/RES/9 & 10 school meals

**Mr George Farlow** - Director of NW Sutherland Citizen's Advice Board

**Mr Bill Fernie** – CS2, Director of Home Start Caithness

**Mr Stephen Fuller** – children in primary school

**Mr Ken Gowans** - CL14 Director of High Life Highland, Eden Court C&L 9, children at primary school

**Mr Alex Graham** - CS18 as a family member is a volunteer for Blythswood

**Mr Michael Green** – CL14 Director of High Life Highland and Nairn Citizen's Advice Board

**Mr Allan Henderson** – CS18 a family member a Director of New Start

**Mr Richard Laird** – D&I 15 Chair of Merkinch Partnership

**Mrs Liz MacDonald** – C&L3 family member works for Blindcraft

**Mrs Deirdre Mackay** – Director East Sutherland Citizen's Advice Bureau

**Mr Donnie Mackay** - D&I 8, Director of Highland Opportunity Ltd

**Mr Willie MacKay** – Director of Caithness Horizons, Director of Caithness Citizen's Advice Bureau, Director of Caithness Voluntary Group

**Ms Angela MacLean** – C&L ED3, ED6 and ED9 a family member is a Head Teacher, C&L 13 C&L 24 as a member of Ross-shire Women's Aid, FIN7 and C&L CS/2 Ross and Cromarty Citizen's Advice Bureau

**Mr Thomas MacLennan** - Member of Lochaber Care and Repair

**Mr Kenneth MacLeod** – Director of Inverness, Badenoch and Strathspey Citizen's Advice Bureau and Trustee of Inverness City Heritage Trust

**Mrs Bet McAllister** – Member of Merkinch Partnership and a Trustee of Highland Citizen's Network

**Mr Brian Murphy** - Director of Lochaber Care and Repair

**Mr Graham Phillips** – C&L 2, Director of East Sutherland Citizen's Advice Bureau and Sutherland Young Carers

**Mr Thomas Prag** – C&L2 family member employed, C&L9 Director of Eden Court, D&I8 Director of Highland Opportunity Ltd

**Mr Ian Renwick** - Member of Skye and Lochalsh Citizen's Advice Bureau

**Ms Gail Ross** - CS2 as a patron of Homestart Caithness, CS 18 Chair of New Start Northern

**Mr Roger Saxon** - CS18 Newstart Highland, C&L/A/9 Director of Eden Court, D&I15 ordinary member of Ormlie Community Association

**Dr Audrey Sinclair** - D&I8 Director of Highland Opportunity Ltd

**Mrs Glynis Sinclair** - C&L 13, Director of Inverness Women's Aid

**Mrs Jean Slater** – C&L9 Director of Eden Court and Blas festival

**Ms Maxine Smith** - CS28 Director of Gateway Highland Homeless Trust

**Mr Jamie Stone** - D&I8 Director of Highland Opportunity Ltd and as any discussion which might impinge on the care his wife receives

**Mr Ben Thompson** CORP1 as a business owner that could be a supplier under this programme

**Mr Hamish Wood** - Inverness, Badenoch and Strathspey Citizen's Advice Bureau and Action for Children

The following Members declared **financial interests** in relation to this item and confirmed that if there was any specific discussion in relation to specific lines within the budget proposals on the following issues (in which they had either a personal or family connection) they would leave the room:-

**Dr David Alston** - Board member of NHS Highland with dispensation

**Mr Andrew Baxter** – children in nursery and primary schools

**Ms Jaci Douglas** – C&L 5 children receive music tuition; C&L 15 holds a let with a community group

**Mr George Farlow** - Council House tenant with dispensation

**Mr Ken Gowans** – CL14, family member employee of High Life Highland, CS7 children in receipt of wrap around child care

**Mr Alex Graham** – CEO11, employee of Bord na Gaidhlig

**Mr Allan Henderson** – family member benefits from Blas

**Mr Donnie Kerr** - Council House tenant with dispensation

**Mr Willie MacKay** – family member an employee of High Life Highland (but, having applied the test, would elect to stay in the room)

**Ms Linda Munro** – CS2 as a Children's Practitioner

**Mr Brian Murphy** – homeless accommodation provider to the Council

**Mr Alasdair Rhind** - CS28 in capacity as Funeral Director

**Ms Gail Ross** – C&L/ED/8 and 9 as husband is a teacher and C&L/ED/7 as husband is a teacher in a promoted post